

District Court No. 3 I, Hamtramck, Michigan

**Financial Report
with Supplemental Information
June 30, 2003**

District Court No. 3 I, Hamtramck, Michigan

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Independent Auditor's Report

To the Honorable District Judge
Paul J. Paruk
District Court No. 31
Hamtramck, Michigan

We have audited the accompanying financial statements of the OUIL Fund and aggregate fiduciary funds of the District Court No. 31, Hamtramck, Michigan (a component unit of the City of Hamtramck) as of and for the year ended June 30, 2003, which collectively comprise the District Court's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District Court No. 31, Hamtramck, Michigan's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the OUIL Fund and aggregate fiduciary funds of the District Court No. 31, Hamtramck, Michigan as of June 30, 2003 and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis, and is not a required part of the basic financial statements. The supplemental information has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

Plante & Moran, PLLC

December 17, 2003



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District Court No. 31, Hamtramck, Michigan

OUIL Fund Statement of Net Assets June 30, 2003

Assets

Cash and cash equivalents (Note 2)	\$ 2,030
Due from the City of Hamtramck General Fund	<u>1,393</u>
Total assets	3,423

Liabilities

-

Net Assets - Unreserved

\$ 3,423

Statement of Revenue, Expenses, and Changes in Net Assets Year Ended June 30, 2003

Revenue - Fines and fees collected	\$ 1,393
Expenses - Operating expenses	<u>72</u>
Excess of Revenue Over Expenses	1,321
Net Assets - July 1, 2002	<u>2,102</u>
Net Assets - June 30, 2003	<u><u>\$ 3,423</u></u>

District Court No. 3 I, Hamtramck, Michigan

Agency Funds Combining Balance Sheet June 30, 2003

	General	Trust	Jury	Totals (Memorandum Only)
Assets				
Cash and cash equivalents (Note 2)	\$ 34,487	\$ 17,549	\$ 2,025	\$ 54,061
Due from the Trust Fund	<u>5,486</u>	<u>-</u>	<u>-</u>	<u>5,486</u>
Total assets	<u>\$ 39,973</u>	<u>\$ 17,549</u>	<u>\$ 2,025</u>	<u>\$ 59,547</u>
Liabilities				
Due to the State of Michigan	\$ 38,580	\$ -	\$ -	\$ 38,580
Due to the City of Hamtramck	-	1,472	-	1,472
Advances from the City of Hamtramck	-	-	2,025	2,025
Due to the General Fund	-	5,486	-	5,486
Due to the OUIL Fund	1,393	-	-	1,393
Appearance bonds payable	<u>-</u>	<u>10,591</u>	<u>-</u>	<u>10,591</u>
Total liabilities	<u>\$ 39,973</u>	<u>\$ 17,549</u>	<u>\$ 2,025</u>	<u>\$ 59,547</u>

District Court No. 31, Hamtramck, Michigan

Notes to Financial Statements June 30, 2003

Note 1 - Summary of Significant Accounting Policies

Fund Accounting

The accounts of District Court No. 31 (the "Court") are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The various funds are grouped, in the combined financial statements in this report, into generic fund types in two broad fund categories as follows:

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions. The Court retains receipts of fines and fees collected for operating under the influence of liquor (OUIL). The money collected is used for operating expenses within the Court.

Due to the nature of its operations, there are no differences between the modified accrual basis of accounting and the full accrual basis. Therefore, the OUIL funds' financial position and results of operations have been presented in a single column.

Agency Funds - The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Accordingly, the operations of the funds are limited to cash transactions.

The Court is a component unit of the City of Hamtramck and is included in the general purpose financial statements of the City of Hamtramck at June 30, 2003. Most costs relating to the operation of the Court are budgeted items of the City of Hamtramck, Michigan General Fund and, accordingly, such costs are paid by the City of Hamtramck, Michigan General Fund. Some operating costs are paid by the OUIL Fund, with the majority of these costs being reimbursed by the General Fund.

Court Operations

The costs relating to the operations of the Court (including risk management) are budgeted items of the City of Hamtramck, Michigan General Fund and, accordingly, such costs are paid by the General Fund.

District Court No. 3 I, Hamtramck, Michigan

Notes to Financial Statements June 30, 2003

Note 2 - Cash and Cash Equivalents

The cash and investments of the Court of \$56,091 are classified by Governmental Accounting Standards Board Statement No. 3 as deposits in financial institutions (checking accounts and savings accounts).

Deposits

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$177,747. Of that amount, \$100,000 was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Court evaluates each financial institution with which it deposits Court funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 3 - Bank Accounts

OUIL Account - OUIL Account transactions include the receipts of fines and fees collected by the state for operating under the influence of liquor (OUIL). The money collected is used for operating expenses within the Court.

General Account - General Account transactions include the receipts of ordinance fines and costs, state fees, parking fines, bond forfeitures, civil filing fees, interim bonds, constable fees, restitution, and other amounts due to the City of Hamtramck and the state.

Trust Account - Trust Account transactions represent all bond-related activity.

Jury Account - Jury Account transactions are used for payment of jury costs, which are subsequently reimbursed by the City of Hamtramck.

Supplemental Information

District Court No. 31, Hamtramck, Michigan

Schedule of Cash Receipts and Disbursements - Agency Funds Year Ended June 30, 2003

	General Account	Trust Account	Jury Account
Cash and Cash Equivalents - July 1, 2002	\$ 35,943	\$ 22,716	\$ 1,620
Receipts			
Fines and fees collected	1,207,676	-	-
Bond receipts	-	285,994	-
Wayne County penal fines	26,320	-	803
Building Fund	-	-	-
Downtown Development Authority	8,340	-	-
Restitution	-	8,776	-
Other	32,282	-	-
Total receipts	1,274,618	294,770	803
Disbursements			
Transfers:			
City of Hamtramck	985,878	-	-
State of Michigan	150,262	-	-
Wayne County	26,320	-	-
Judges' retirement system	19,242	-	-
Bond refunds and forfeitures	-	291,511	-
Restitution	-	8,426	-
Jury costs	-	-	398
Building Fund	50,010	-	-
Downtown Development Authority	18,780	-	-
Miscellaneous	25,582	-	-
Total disbursements	1,276,074	299,937	398
Cash and Cash Equivalents - June 30, 2003	\$ 34,487	\$ 17,549	\$ 2,025